

CRAWFORD COUNTY, IOWA
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
JUNE 30, 2013

Crawford County
Table of Contents

Officials		<u>Page</u> 1
Independent Auditor's Report		2
Management's Discussion and Analysis		3 - 3g
Basic Financial Statements:	<u>Exhibit</u>	
Government-wide Financial Statements:		
Statement of Net Position	A	4
Statement of Activities	B	6
Governmental Fund Financial Statements:		
Balance Sheet	C	7
Reconciliation of the Balance Sheet -		
Governmental Funds to the Statement of Net Position	D	9
Statement of Revenues, Expenditures and Changes in		
Fund Balances	E	10
Reconciliation of the Statement of Revenues, Expenditures,		
and Changes in Fund Balances - Governmental Funds to		
the Statement of Activities	F	12
Proprietary Fund Financial Statements:		
Statement of Net Position	G	13
Statement of Revenues, Expenses and Changes in Fund		
Net Position	H	14
Statement of Cash Flows	I	15
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Assets and Liabilities - Agency Funds	J	16
Notes to Financial Statements		17
Required Supplementary Information:		
Budgetary Comparison Schedule of Receipts, Disbursements, and Changes		
in Balances - Budget and Actual (Cash Basis) - All Governmental Funds		34
Budgetary Comparison Schedule - Budget to GAAP Reconciliation		35
Notes to Required Supplementary Information - Budgetary Reporting		36
Other Supplementary Information:	<u>Schedule</u>	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	37
Combining Schedule of Revenues, Expenditures and		
Changes in Fund Balances	2	39
Agency Funds:		
Combining Schedule of Fiduciary Assets and Liabilities	3	41
Combining Schedule of Changes in Fiduciary Assets		
and Liabilities	4	44
Schedule of Revenues by Source and Expenditures by		
Function - All Governmental Funds	5	47
Independent Auditor's Report on Internal Control over Financial		
Reporting and on Compliance and Other Matters Based on an		
Audit of Financial Statements Performed in Accordance with		
Government Auditing Standards		48
Schedule of Findings		50

Crawford County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
(After January, 2013)		
Randall Kuhlmann	Board of Supervisors	January, 2017
Steve Ulmer	Board of Supervisors	January, 2015
Eric Skoog	Board of Supervisors	January, 2015
Jerry Buller	Board of Supervisors	January, 2015
Cecil Blum	Board of Supervisors	January, 2017
Terri Martens	County Auditor	January, 2017
Jeri Vogt	County Treasurer	January, 2015
Denise Meeves	County Recorder	January, 2015
Jim Steinkuehler	County Sheriff	January, 2017
Michael R. Mundt	County Attorney	January, 2015
Duane Zenk	County Assessor	January, 2016
(Before January, 2013)		
Mark Segebart	Board of Supervisors	January, 2013
Steve Ulmer	Board of Supervisors	January, 2015
Eric Skoog	Board of Supervisors	January, 2015
Jerry Buller	Board of Supervisors	January, 2015
Cecil Blum	Board of Supervisors	January, 2013
Terri Martens	County Auditor	January, 2013
Jeri Vogt	County Treasurer	January, 2015
Denise Meeves	County Recorder	January, 2015
Jim Steinkuehler	County Sheriff	January, 2013
Michael R. Mundt	County Attorney	January, 2015
Duane Zenk	County Assessor	January, 2016

Gronewold, Bell, Kyhnn & Co. P.C.

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS AND FINANCIAL CONSULTANTS

1910 EAST 7th STREET BOX 369
ATLANTIC, IOWA 50022-0369
(712) 243-1800
FAX (712) 243-1265
CPA@GBKCO.COM

MARK D. KYHNN
DAVID L. HANNASCH
KENNETH P. TEGELS
CHRISTOPHER J. NELSON
DAVID A. GINTHER

INDEPENDENT AUDITOR'S REPORT

To the Officials of Crawford County

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crawford County, Iowa as of and for the year ended June 30, 2013, and related notes to the financial statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Officials of Crawford County

Basis for Qualified Opinions

The financial statements do not include an estimate of an Other Post Employment Benefits (OPEB) liability for an implicit health insurance premium rate subsidy resulting from the legal requirement to allow employees retiring after age 55 to remain on the County's healthcare plan until age 65. Accounting principles generally accepted in the United States of America require that any material liability resulting from this OPEB requirement be included in the financial statements (Note 11).

Qualified Opinions

In our opinion, except for the effect of not including an estimated OPEB liability for the implicit health insurance premium rate subsidy, as discussed in the previous section, the financial statements referred to above present fairly in all material respects, the financial position of the governmental activities, each major fund and the aggregate remaining fund information of Crawford County as of June 30, 2013 and the respective changes in financial position, and cash flows where applicable for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis and the Budgetary Comparison Information on pages 3 through 3g and on pages 34 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Crawford County, Iowa's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2012 (which are not presented herein) and expressed unqualified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

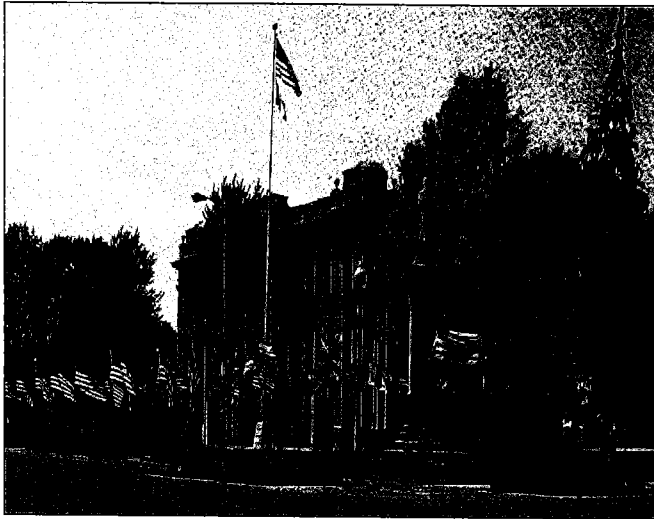
To the Officials of Crawford County

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 28, 2014 on our consideration of Crawford County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Crawford County's internal control over financial reporting and compliance.

Gumewald, Ben, Kuhn & Co. P.C.

Atlantic, Iowa
January 28, 2014



Board of Supervisors

Crawford County Courthouse
1202 Broadway
Denison, Iowa 51442

(712)263-5356 Fax: (712)263-8382

MEMBERS:

*Cecil Blum, Jerry Buller, Randall Kuhlmann
Eric Skoog and Steve P. Ulmer*

MANAGEMENT'S DISCUSSION & ANALYSIS

The Crawford County Board of Supervisors provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2013. It is the intent that this statement be reviewed and considered in conjunction with reading the County's financial statements.

2013 FINANCIAL HIGHLIGHTS

- Crawford County's revenue for the 2013 governmental activities was \$16,186,251 compared to \$19,008,029 in 2012 for a decrease of \$2,821,778. Property and other county taxes increased \$612,699 from the previous fiscal year.
- Crawford County's expenditures decreased to \$16,216,436 in fiscal year 2013 from \$18,334,269 in fiscal year 2012 - a decrease of \$2,117,833.
- Crawford County's capital assets (net of accumulated depreciation) decreased approximately \$652,397 from the previous year.
- Several major capital projects were completed during FY2012, including a bridge replacement and road paving project.
- Crawford County self-funds their health insurance, using a stop loss of \$35,000. So far the plan has worked to maintain relatively level premiums and the County has been able to grow a reserve in the fund. The ending assets as of June 30, 2013 were \$722,473 and the claims incurred but not yet paid were \$104,384 leaving a net of \$618,089.

UTILIZATION OF THIS ANNUAL REPORT

The annual report consists of a series of financial statements as well as other requirements as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the government's financial activities.
- The Government-Wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Crawford County as a whole and present an overall view of the County's finances.
- The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Crawford County's operations in more detail than government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Crawford County acts solely as an agent or custodian for the benefit of the government.
- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year.
- Other Supplementary Information provides detailed information about the nonmajor governmental and the individual Agency Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various programs benefiting the County.

Reporting the County as a Whole

This includes a Statement of Net Position and the Statement of Activities.

One of the most important questions asked about the County's finances is *Is the County as a whole better off or worse off as a result of the year's activities?* The statement of net position and the statement of activities report information about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus. This is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents all of the County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported as soon as the event or change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The County's governmental activities are displayed in the Statement of Net Position and the Statement of Activities. Governmental activities include:

1. Public Safety and Legal Services
2. Physical Health & Social Services
3. Mental Health
4. County Environment and Education
5. Roads and Transportation
6. Government Services to Residents
7. Administration
8. Interest on Long-Term Debt

Property tax, local option tax, road use tax, and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide detailed information about individual, significant funds, not the County as a whole. Some funds are required to be established by Iowa law or by bond covenants. The County can establish other funds to help it control and manage money for particular purposes.

Crawford County has three kinds of funds: governmental funds, proprietary funds, & fiduciary funds:

1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. These governmental funds may include: (1) the General Fund (General Basic & General Supplemental), (2) The Special Revenue Funds such as Mental Health, Rural Services (Rural Basic and Rural Supplemental), Secondary Roads and others, (3) the Debt Service Fund, and (4) the Capital Projects Funds. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

2) Proprietary funds account for the County's Internal Service, Employee Group Health Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

3) Fiduciary funds are used to report assets held in a trust or agency capacity for others and cannot be used to support the government's own programs. These fiduciary funds include agency funds that account for emergency management services and the county assessor to name a couple.

The fiduciary funds required financial statements include a Statement of Fiduciary Assets and Liabilities.

A summary reconciliation between the government-wide financial statements and the fund financial statements follows the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. Crawford County's net position for FY13 total \$42,613,427 compared to FY12 at \$42,643,612. The County is recording capital assets, which increased to \$34,290,637 in FY13. The analysis that follows focuses on the changes of the net position for our governmental activities.

Net Position of Governmental Activities

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Current and other assets	\$ 19,079,621	\$ 19,184,421
Capital Assets	<u>34,290,637</u>	<u>34,943,034</u>
Total Assets	<u>\$ 53,370,258</u>	<u>\$ 54,127,455</u>
Long Term Debt Outstanding	\$ 1,730,000	\$ 1,800,000
Other Liabilities	<u>9,026,831</u>	<u>9,683,843</u>
Total Liabilities	<u>\$ 10,756,831</u>	<u>\$ 11,483,843</u>
Net Position:		
Invested in capital assets, net of related debt	\$ 32,560,637	\$ 33,166,942
Restricted	5,432,567	4,879,631
Unrestricted	<u>4,620,223</u>	<u>4,597,039</u>
Total Net Position	<u>\$ 42,613,427</u>	<u>\$ 42,643,612</u>

The largest portion of the County's net position is the Invested in Capital Assets (e.g. land, infrastructure, buildings, and equipment), less the related debt. The debt related to the Investment in Capital Assets is liquidated with sources other than capital assets, since they are unavailable for future spending. Restricted net position represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. Unrestricted net position are the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, legislation, or other legal requirements.

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES			
REVENUES	6/30/13	6/30/12	Difference
Program Revenues			
Charges for services	3,217,172	1,839,982	1,377,190
Operating Grants & Contributions	4,328,370	7,416,266	(3,087,896)
Capital Grants & Contributions	27,346	690,774	(663,428)
General Revenues			
Property Taxes	7,528,664	6,915,965	612,699
Penalty & Interest on Property	54,575	50,059	4,516
State tax credits	312,871	252,844	60,027
Local option sales & service tax	602,507	505,988	96,519
Unrestricted investment earnings	112,769	121,875	(9,106)
Other general revenues	1,977	1,214,276	(1,212,299)
Total Revenues	16,186,251	19,008,029	(2,821,778)
PROGRAM EXPENSES			
Public Safety & Legal Services	1,912,527	1,881,748	30,779
Physical Health & Social Services	2,422,423	2,431,452	(9,029)
Mental Health	607,848	2,162,838	(1,554,990)
County Environment & Education	808,387	921,561	(113,174)
Roads & Transportation	6,983,541	7,748,355	(764,814)
Government Services to Residents	516,132	514,851	1,281
Administration	2,862,310	2,587,392	274,918
Interest on long-term debt	103,268	86,072	17,196
Total Expenses	16,216,436	18,334,269	(2,117,833)
Change in Net Position	(30,185)	673,760	(703,945)
Net position beginning of year	42,643,612	41,969,852	673,760
Net position at end of year	42,613,427	42,643,612	(30,185)

The total TIF asking from the cities was as follows:

Decrease in TIF requests	\$3,131,000
---------------------------------	--------------------

The county's tax levies are compared as set forth below:

The Mental Health Fund of the County had an ending fund balance of \$1,281,831 as of 6-30-13. Future funding for Mental Health will be dependent on actions taken by the State Legislature.

The Rural Services Fund ended FY13 with a fund balance of \$465,979.

Secondary Roads ended FY13 with a fund balance of \$2,932,433. This fund changes due to timing of construction projects. Crawford County maintains 878 miles of gravel roads, has 209 miles of dirt roads and 135 miles of paved roads. Unlike a large number of Iowa counties, Crawford County also has 265 bridges which they maintain. During FY12 Crawford County received Federal and State Funds for flood disaster. Federal and State Funds were received during FYE12 to fund repairs to eligible disaster sites. The county has an entitlement to farm to market funds for secondary road purposes which are administered by the Iowa Department of Transportation. These funds are not included in the County's financial report.

As of 6-30-13, there was a fund balance of \$24,590 in the debt service fund.

GENERAL BUDGETARY HIGHLIGHTS

The Crawford County budget was not amended during fiscal year 2013.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Crawford County ended FY13 with approximately \$60,270,498 invested in a broad range of capital assets. Crawford County excludes any assets under \$5,000. After consideration of accumulated depreciation of \$25,979,861, the government activities capital assets net are \$34,290,637.

Debt

Crawford County has general obligation bonds outstanding as of the end of FY13 totaling \$1,730,000, of which \$170,000 in principal payments are due during FY14.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Crawford County's 2010 population increased .9% to 17,096 from the 2000 census. Crawford County's estimated 2012 population increased 1.01% to 17,309 from 2010. 26.6% of our population is 18 or under and 16.4% is 65 or older. Our population is 70.2% White and 26.6% Hispanic or Latino origin. There are 6,303 households with a median household income of \$46,601, with 2.62 people per household. Per capita income for the last 12 months was \$21,892 as compared to a state per capita income of \$26,545. Persons below the poverty level in Crawford County was 14.9% of our population compared to a state average of 12.2%. These numbers come from the Crawford County Quick Facts from the US Census Bureau.

Crawford County workers rely heavily on our food service industries to provide employment for their households. Farmland Foods, Tyson Foods and Quality Food Processors are large employers of our local workforce and their financial wellbeing is vital to our local economy both individually and agriculturally. The closing of any of these plants would seriously affect our unemployment rate in the county, which has been much lower than the state and national average for the past several years.

Farms continue to grow larger and farm land values have increased rapidly in the last few years.

Wind tower energy production in Crawford County has increased with the addition of 50 new wind tower generators near Schleswig. This is in addition to the 43 towers already generating in the Vail and Westside area. Anderson's Ethanol plant continues to produce over 60 million gallons of ethanol per year for America's transportation needs.

Crawford County expenditures for all departments for fiscal year ending 2014 are estimated to be \$15,936,006. Expenditures for all departments are estimated to increase \$312,102 for fiscal year 2015 to \$16,248,108. This increase is mostly occurring in the General Supplement Fund from insurance cost.

Ending fund balances for fiscal year ending 2014 are re-estimated to be \$664,062 lower than actual fiscal year ending 2013. Another \$611,895 is estimated to be taken from ending fund balance for fiscal year ending 2015. The Board will continue to monitor fund balances.

For the past several years Crawford County has seen growth in valuations, allowing levy rates to be reduced.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Crawford County's finances and show accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Crawford County Auditor's office, 1202 Broadway, Denison, IA 51442, telephone (712)263-3045.

Crawford County
Statement of Net Position
June 30, 2013

	<u>Governmental Activities</u>
Assets	
Cash and pooled investments	\$ 8,567,008
Receivables:	
Property tax:	
Delinquent	34,060
Succeeding year	7,505,000
Interest and penalty on property tax	88,975
Accounts	43,972
Accrued interest	11,489
Due from other funds	47,080
Due from other governments	639,611
Inventories	1,904,104
Prepaid insurance	238,322
Capital assets (net of accumulated depreciation)	34,290,637
Total assets	<u>53,370,258</u>
Liabilities	
Accounts payable	673,721
Accrued interest payable	6,013
Salaries and benefits payable	276,860
Due to other governments	89,961
Deferred revenue:	
Succeeding year property tax	7,505,000
Long-term liabilities:	
Portion due or payable within one year:	
General obligation bonds	170,000
Compensated absences	475,276
Portion due or payable after one year:	
General obligation bonds	1,560,000
Total liabilities	<u>10,756,831</u>

(continued next page)

Crawford County
Statement of Net Position - continued
June 30, 2013

	<u>Governmental Activities</u>
Net Position	
Invested in capital assets, net of related debt	\$ 32,560,637
Restricted for:	
Mental health purposes	1,283,811
Rural services	436,595
Secondary roads purposes	2,737,803
Other purposes	974,358
Unrestricted	<u>4,620,223</u>
Total net position	<u>\$ 42,613,427</u>

See notes to financial statements.

Crawford County
Statement of Activities
Year ended June 30, 2013

	<u>Expenses</u>	<u>Program Revenues</u>
Functions/Programs:		
Governmental activities:		
Public safety and legal services	\$ 1,912,527	\$ 159,993
Physical health and social services	2,422,423	2,535,885
Mental health	607,848	--
County environment and education	808,387	151,360
Roads and transportation	6,983,541	37,620
Governmental services to residents	516,132	317,793
Administration	2,862,310	14,521
Interest on long-term debt	<u>103,268</u>	<u>--</u>
Total	<u>\$ 16,216,436</u>	<u>\$ 3,217,172</u>
General Revenues:		
Property and other county tax levied for:		
General purposes		
Penalty and interest on property tax		
State tax credits		
Local option sales tax		
Unrestricted investment earnings		
Miscellaneous		
Total general revenues		
Change in net position		
Net position beginning of year		
Net position end of year		

See notes to financial statements.

<u>Program Revenues</u>		
<u>Operating Grants, Contributions and Restricted Interest</u>	<u>Capital Grants, Contributions and Restricted Interest</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
\$ 74,282	\$ --	\$(1,678,252)
756,269	--	869,731
25,100	--	(582,748)
16,124	--	(640,903)
3,386,370	27,346	(3,532,205)
--	--	(198,339)
225	--	(2,847,564)
<u>70,000</u>	<u>--</u>	<u>(33,268)</u>
<u>\$ 4,328,370</u>	<u>\$ 27,346</u>	<u>(8,643,548)</u>

7,528,664
 54,575
 312,871
 602,507
 112,769
1,977
8,613,363
 (30,185)
42,643,612
\$ 42,613,427

Crawford County
Balance Sheet
Governmental Funds
June 30, 2013

	<u>General</u>	<u>Special Revenue</u>	
		<u>Mental Health</u>	<u>Rural Services</u>
Assets			
Cash and pooled investments	\$ 4,434,043	\$ 1,313,287	\$ 491,940
Receivables:			
Property tax:			
Delinquent	24,556	6,712	1,179
Succeeding year	4,219,000	502,000	2,554,000
Interest and penalty on property tax	88,975	--	--
Accounts	37,455	--	--
Accrued interest	11,489	--	--
Due from other funds	55,769	--	--
Due from other governments	313,989	--	--
Inventories	--	--	--
Prepaid insurance	192,179	--	3,178
	<u>9,377,455</u>	<u>1,821,999</u>	<u>3,050,297</u>
Total assets	\$ 9,377,455	\$ 1,821,999	\$ 3,050,297
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 105,489	\$ 26,677	\$ 18,942
Salaries and benefits payable	141,280	2,264	9,719
Due to other funds	--	--	--
Due to other governments	81,323	1,682	--
Deferred revenue:			
Succeeding year property tax	4,219,000	502,000	2,554,000
Other	113,531	6,712	1,179
Compensated absences	59,926	833	478
Total liabilities	4,720,549	540,168	2,584,318

(continued next page)

<u>Special Revenue Secondary Roads</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
\$ 1,252,309	\$ 24,590	\$ 328,366	\$ 7,844,535
--	1,613	--	34,060
--	230,000	--	7,505,000
--	--	--	88,975
6,517	--	--	43,972
--	--	--	11,489
--	--	811	56,580
303,695	--	21,927	639,611
1,904,104	--	--	1,904,104
<u>42,965</u>	<u>--</u>	<u>--</u>	<u>238,322</u>
<u>\$ 3,509,590</u>	<u>\$ 256,203</u>	<u>\$ 351,104</u>	<u>\$ 18,366,648</u>
\$ 413,454	\$ --	\$ 4,775	\$ 569,337
123,597	--	--	276,860
--	--	9,500	9,500
6,206	--	750	89,961
--	230,000	--	7,505,000
--	1,613	--	123,035
<u>33,900</u>	<u>--</u>	<u>--</u>	<u>95,137</u>
<u>577,157</u>	<u>231,613</u>	<u>15,025</u>	<u>8,668,830</u>

Crawford County
Balance Sheet
Governmental Funds - continued

June 30, 2013

	<u>General</u>	<u>Special Revenue</u>	
		<u>Mental Health</u>	<u>Rural Services</u>
Fund balances:			
Nonspendable:			
Inventories	\$ --	\$ --	\$ --
Prepaid insurance	192,179	--	3,178
Restricted for:			
Mental health purposes	--	1,281,831	--
Rural services purposes	--	--	462,801
Secondary roads purposes	--	--	--
Capital projects	--	--	--
Debt service	--	--	--
Other purposes	--	--	--
Unassigned	4,464,727	--	--
Total fund balances	<u>4,656,906</u>	<u>1,281,831</u>	<u>465,979</u>
Total liabilities and fund balances	<u>\$ 9,377,455</u>	<u>\$ 1,821,999</u>	<u>\$ 3,050,297</u>

See notes to financial statements.

<u>Special Revenue Secondary Roads</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
\$ 1,904,104	\$ --	\$ --	\$ 1,904,104
42,965	--	--	238,322
--	--	--	1,281,831
--	--	--	462,801
985,364	--	--	985,364
--	--	144,122	144,122
--	24,590	--	24,590
--	--	191,957	191,957
--	--	--	4,464,727
<u>2,932,433</u>	<u>24,590</u>	<u>336,079</u>	<u>9,697,818</u>
 <u>\$ 3,509,590</u>	 <u>\$ 256,203</u>	 <u>\$ 351,104</u>	 <u>\$ 18,366,648</u>

Crawford County

Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Position

June 30, 2013

Total governmental fund balances (page 8)	\$ 9,697,818
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of assets is \$60,243,152 and the accumulated depreciation is \$25,979,861.	34,290,637
Assets not available to pay for current period expenditures and, therefore, are deferred in the funds.	123,035
The Internal Service Fund is used by management to charge the costs of partial self funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net position.	618,089
Accrued interest payable and long-term liabilities, including general obligation bonds and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(2,116,152)</u>
Net position of governmental activities (page 5)	<u>\$ 42,613,427</u>

See notes to financial statements.

Crawford County
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds

Year ended June 30, 2013

	<u>General</u>	<u>Special Revenue</u>	
		<u>Mental Health</u>	<u>Rural Services</u>
Revenues:			
Property and other County tax	\$ 3,939,218	\$ 972,919	\$ 2,380,107
Local option sales tax	60,251	--	--
Interest and penalty on property tax	54,575	--	--
Intergovernmental	1,925,142	65,339	96,681
Licenses and permits	4,120	--	--
Charges for service	767,011	--	--
Use of money and property	103,703	--	--
Miscellaneous	54,703	645	305
Total revenues	<u>6,908,723</u>	<u>1,038,903</u>	<u>2,477,093</u>
Expenditures:			
Operating:			
Public safety and legal services	1,820,804	--	50,000
Physical health and social services	2,406,399	--	--
Mental health	--	609,472	--
County environment and education	595,024	--	296,670
Roads and transportation	12,000	--	427,644
Governmental services to residents	511,490	--	--
Administration	1,273,577	--	--
Debt service	--	--	--
Capital projects	93,127	--	--
Total expenditures	<u>6,712,421</u>	<u>609,472</u>	<u>774,314</u>
Excess (deficiency) of revenues over (under) expenditures	<u>196,302</u>	<u>429,431</u>	<u>1,702,779</u>

(continued next page)

<u>Special Revenue Secondary Roads</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
\$ --	\$ 235,952	\$ 468	\$ 7,528,664
542,256	--	--	602,507
--	--	--	54,575
3,338,307	9,729	39,453	5,474,651
1,691	--	--	5,811
--	--	12,968	779,979
--	546	805	105,054
83,687	--	10,661	150,001
<u>3,965,941</u>	<u>246,227</u>	<u>64,355</u>	<u>14,701,242</u>
--	--	32,926	1,903,730
--	--	11,084	2,417,483
--	--	--	609,472
--	--	23,668	915,362
5,778,549	--	--	6,218,193
--	--	5,209	516,699
--	--	--	1,273,577
--	1,624,260	--	1,624,260
147,657	--	--	240,784
<u>5,926,206</u>	<u>1,624,260</u>	<u>72,887</u>	<u>15,719,560</u>
<u>(1,960,265)</u>	<u>(1,378,033)</u>	<u>(8,532)</u>	<u>(1,018,318)</u>

Crawford County

Statement of Revenues, Expenditures and
Changes in Fund Balances - continued
Governmental Funds

Year ended June 30, 2013

	General	Special Revenue	
		Mental Health	Rural Services
Other financing sources (uses):			
Sale of capital assets	\$ --	\$ --	\$ --
Debt proceeds	--	--	--
Operating transfers in	--	--	--
Operating transfers out	(137,000)	--	(1,722,000)
Total other financing sources (uses)	(137,000)	--	(1,722,000)
Change in fund balances	59,302	429,431	(19,221)
Fund balances beginning of year	4,597,604	852,400	485,200
Fund balances end of year	<u>\$ 4,656,906</u>	<u>\$ 1,281,831</u>	<u>\$ 465,979</u>

See notes to financial statements.

<u>Special Revenue Secondary Roads</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
\$ 308,080	\$ --	\$ --	\$ 308,080
--	1,380,000	--	1,380,000
1,839,000	--	20,000	1,859,000
<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,859,000)</u>
<u>2,147,080</u>	<u>1,380,000</u>	<u>20,000</u>	<u>1,688,080</u>
186,815	1,967	11,468	669,762
<u>2,745,618</u>	<u>22,623</u>	<u>324,611</u>	<u>9,028,056</u>
<u>\$ 2,932,433</u>	<u>\$ 24,590</u>	<u>\$ 336,079</u>	<u>\$ 9,697,818</u>

Crawford County

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds to the Statement of Activities

Year ended June 30, 2013

Change in fund balances - Total governmental funds (page 11) \$ 669,762

Amounts reported for governmental activities in the statement
of activities are different because:

Governmental funds report capital outlays as expenditures while
governmental activities report depreciation expense to allocate
those expenditures over the life of the assets.

Capital outlays exceeded depreciation expense in the current
year as follows:

Expenditures for capital assets	\$ 1,598,051	
Capital assets contributed by the Iowa Department of Transportation	27,346	
Depreciation expense	<u>(2,179,199)</u>	(553,802)

Proceeds from issuing long-term liabilities provide current
financial resources to governmental funds, but issuing debt
increases long-term liabilities in the Statement of Net Position.
Repayment of long-term liabilities is an expenditure in the
governmental funds, but the repayment reduces long-term
liabilities in the Statement of Net Position. Current year
repayments exceeded issues, as follows:

Principal paid	1,450,000	
Debt issued	<u>(1,380,000)</u>	

In the Statement of Activities, the gain on the disposition of
capital assets is reported, whereas in the governmental funds,
the proceeds from the sale increase financial resources.

Book value of disposed assets		(98,595)
-------------------------------	--	-----------

Because some revenues will not be collected for several months
after the County's year end, they are not considered available
revenues and are deferred in the governmental funds.

Change in deferred property tax revenues		(43,094)
--	--	-----------

Some expenses reported in the Statement of Activities do not
require the use of current financial resources and, therefore,
are not reported as expenditures in governmental funds, as follows:

Compensated absences	(3,711)	
Accrued interest on long-term debt	(100)	
Debt issue costs	<u>(23,908)</u>	(27,719)

The Internal Service Fund is used by management to charge the costs
of employee health benefits to individual funds. The net loss of
the Internal Service Fund is reported with governmental activities.

		<u>(46,737)</u>
--	--	------------------

Change in net position of governmental activities (page 6)

		<u><u>\$ (30,185)</u></u>
--	--	----------------------------

See notes to financial statements.

Crawford County
Statement of Net Position
Proprietary Fund
June 30, 2013

	Internal Service - Employee Group Health
Assets	
Cash and cash equivalents	\$ <u>722,473</u>
Total assets	722,473
Liabilities	
Accounts payable	<u>104,384</u>
Net Position	
Unrestricted	<u>\$ 618,089</u>

See notes to financial statements.

Crawford County
Statement of Revenues, Expenses, and Changes
in Fund Net Position
Proprietary Fund

Year ended June 30, 2013

		Internal Service - Employee Group Health
Operating revenues:		
Reimbursements from operating funds		\$ 1,249,362
Reimbursements from employees and others		<u>129,195</u>
Total operating revenues		<u>1,378,557</u>
Operating expenses:		
Medical claims	\$ 914,276	
Administrative fees and insurance premiums	<u>518,733</u>	<u>1,433,009</u>
Operating loss		(54,452)
Non-operating revenues:		
Interest on investments		<u>7,715</u>
Net loss		(46,737)
Net position beginning of year		<u>664,826</u>
Net position end of year		<u><u>\$ 618,089</u></u>

See notes to financial statements.

Crawford County
Statement of Cash Flows
Proprietary Fund
Year ended June 30, 2013

	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 1,249,362
Cash received from employees and others	129,195
Cash payments to suppliers for services	(1,604,888)
Net cash used in operating activities	(226,331)
Cash flows from investing activities:	
Interest on investments	7,715
Net decrease in cash and cash equivalents	(218,616)
Cash and cash equivalents at beginning of year	941,089
Cash and cash equivalents at end of year	\$ 722,473
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$(54,452)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Decrease in accounts payable	(171,879)
Net cash used in operating activities	\$(226,331)

See notes to financial statements.

Crawford County
Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2013

Assets

Cash and pooled investments:

County Treasurer	\$ 1,285,146
Other County officials	62,647

Receivables:

Property tax:

Delinquent	167,933
Succeeding year	16,548,000

Accounts	9,025
----------	-------

Special assessments	73,000
---------------------	--------

Due from other funds	206
----------------------	-----

Total assets	<u>18,145,957</u>
--------------	-------------------

Liabilities

Accounts payable	18,506
------------------	--------

Salaries and benefits payable	12,672
-------------------------------	--------

Due to other funds	47,286
--------------------	--------

Due to other governments	18,042,416
--------------------------	------------

Trusts payable	17,496
----------------	--------

Compensated absences	7,581
----------------------	-------

Total liabilities	<u>18,145,957</u>
-------------------	-------------------

Net position	<u>\$ --</u>
--------------	--------------

See notes to financial statements.

Crawford County

Notes to Financial Statements

June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Crawford County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, and general administrative services.

The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Crawford County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

These financial statements present Crawford County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Units - The following component units are entities which are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Nine drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Crawford County Board of Supervisors. These drainage districts are reported as a Special Revenue Fund. Financial information for the individual drainage districts can be obtained from the Crawford County Auditor's office.

Crawford County

Notes to Financial Statements

June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Related Organizations - The County Board of Supervisors are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The Board of Supervisors appoint three of the five members to the board of the Crawford County Area Solid Waste Agency Commission. An audit of this Commission is performed and filed under separate cover. Financial transactions of this organization are included in the County's financial statements only to the extent of the County's fiduciary relationship with the Commission and, as such, are reported in an Agency Fund of the County.

Jointly Governed Organizations - The County also participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Crawford County Assessor's Conference Board, Crawford County Joint E911 Service Board and Crawford County Emergency Management Services Commission. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in Agency Funds of the County.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position (previously referred to as net assets) and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Position presents the County's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in the following categories.

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management, which can be removed or modified.

Crawford County

Notes to Financial Statements

June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions, and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

The Mental Health Fund is used to account for property tax and other revenues to be used to fund mental health, mental retardation, and developmental disabilities services.

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas.

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, required transfers from the General and the Special Revenue, Rural Services Funds and other revenues to be used for secondary road construction and maintenance.

The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the county's general long-term debt.

Additionally, the County reports the following funds:

Proprietary Fund - An Internal Service Fund is utilized to account for the financing of goods or services purchased by one department of the County and provided to other departments or agencies on a cost reimbursement basis.

Crawford County

Notes to Financial Statements

June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fiduciary Funds - Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the County's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications - committed, assigned and then unassigned fund balances.

Crawford County

Notes to Financial Statements

June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund are charges to customers for sales and services. Operating expenses for the Internal Service Fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents - The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, they have a maturity date no longer than three months.

Property Tax Receivable - Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Crawford County

Notes to Financial Statements

June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2011 assessed property valuations; is for the tax accrual period July 1, 2012 through June 30, 2013 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March, 2012.

Interest and Penalty on Property Tax Receivable - Interest and penalty on property tax receivable represents the amount of interest and penalty that was due and payable but has not been collected.

Due from and Due to Other Funds - During the course of its operations, the County has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2013, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Due from Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories - Inventories are valued at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets - Capital assets, which include property, equipment and vehicles, and infrastructure assets acquired after July 1, 1980 (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the County), are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Infrastructure	\$ 50,000
Land, buildings, and improvements	25,000
Intangibles	25,000
Equipment and vehicles	5,000

Crawford County
Notes to Financial Statements

June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Capital assets of the County are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	40 - 50
Building improvements	20 - 50
Infrastructure	30 - 50
Intangibles	5 - 20
Equipment	2 - 20
Vehicles	3 - 10

Due to Other Governments - Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Trusts Payable - Trusts payable represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year end.

Deferred revenue in the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and unspent grant proceeds.

Compensated Absences - County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for amounts paid to employees within sixty days after year end. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2013. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds.

Crawford County

Notes to Financial Statements

June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Long-Term Liabilities - In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Position. Bond issuance costs are reported as expenses in the year incurred.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity - In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance or resolution approved prior to year end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned - Amounts the Board of Supervisors intend to use for specific purposes.

Unassigned - All amounts not included in the preceding classifications.

Net Position - The net position of the Internal Service, Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2013, disbursements exceeded the amount budgeted in the debt service function.

Crawford County
Notes to Financial Statements
June 30, 2013

NOTE 2 - CASH AND POOLED INVESTMENTS

The County's deposits in banks at June 30, 2013 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$64,441 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest rate risk. The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the County.

Credit risk. The investment in Iowa Public Agency Investment Trust is unrated.

Concentration of credit risk. The County places no limit on the amount that may be invested in any one issuer.

Crawford County
Notes to Financial Statements

June 30, 2013

NOTE 3 - DUE FROM AND DUE TO OTHER FUNDS

The detail of interfund receivables and payables at June 30, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Agency:	
	County Sheriff	\$ 2,708
	County Recorder	29,660
	Auto License and Use Tax	13,901
	Special Revenue:	
	Federal Drug Forfeiture Fund	<u>9,500</u>
		55,769
Special Revenue:	Agency:	
County Recorder's Records Management	County Recorder	811
Agency:	Agency:	
County Recorder's Electronic Transfer Fee	County Recorder	<u>206</u>
Total		<u>\$ 56,786</u>

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

NOTE 4 - INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2013 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue:		
Secondary Roads	General	\$ 137,000
	Special Revenue:	
	Rural Services	<u>1,702,000</u>
		1,839,000
Special Revenue:	Special Revenue:	
Flood and Erosion	Rural Services	<u>20,000</u>
Total		<u>\$ 1,859,000</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

Crawford County
Notes to Financial Statements
June 30, 2013

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2013 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 625,990	\$ --	\$ --	\$ 625,990
Construction in progress	<u>--</u>	<u>208,347</u>	<u>134,238</u>	<u>74,109</u>
Total capital assets not being depreciated/ amortized	<u>625,990</u>	<u>208,347</u>	<u>134,238</u>	<u>700,099</u>
Capital assets being depreciated/amortized:				
Buildings	4,709,023	221,802	--	4,930,825
Equipment and vehicles	9,690,073	1,195,248	684,006	10,201,315
Infrastructure, road network	<u>44,304,021</u>	<u>134,238</u>	<u>--</u>	<u>44,438,259</u>
Total capital assets being depreciated/amortized	<u>58,703,117</u>	<u>1,551,288</u>	<u>684,006</u>	<u>59,570,399</u>
Less accumulated depreciation for:				
Buildings	1,268,680	118,523	--	1,387,203
Equipment and vehicles	5,643,048	797,751	585,411	5,855,388
Infrastructure, road network	<u>17,474,345</u>	<u>1,262,925</u>	<u>--</u>	<u>18,737,270</u>
Total accumulated depreciation/amortization	<u>24,386,073</u>	<u>2,179,199</u>	<u>585,411</u>	<u>25,979,861</u>
Total capital assets being depreciated/amortized, net	<u>34,317,044</u>	<u>(627,911)</u>	<u>98,595</u>	<u>33,590,538</u>
Governmental activities capital assets, net	<u>\$ 34,943,034</u>	<u>\$(419,564)</u>	<u>\$ 232,833</u>	<u>\$ 34,290,637</u>

Crawford County
Notes to Financial Statements
June 30, 2013

NOTE 5 - CAPITAL ASSETS - continued

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 105,100
County environment and education	34,617
Roads and transportation	1,971,326
Administrative services	<u>68,156</u>
Total depreciation expense - governmental activities	<u>\$2,179,199</u>

NOTE 6 - DUE TO OTHER GOVERNMENTS

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments is as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 81,323
Special Revenue:		
Mental Health		1,682
Secondary Roads		6,206
All Other		<u>750</u>
		<u>8,638</u>
Total for governmental funds		<u>\$ 89,961</u>
Agency:		
County Assessor	Collections	\$ 555,000
Schools		9,777,234
Community Colleges		561,154
Corporations		4,727,685
Townships		225,926
Auto License and Use Tax		346,995
County Hospital		1,132,413
E-911		155,970
All Other		<u>560,039</u>
Total for agency funds		<u>\$ 18,042,416</u>

Crawford County
Notes to Financial Statements

June 30, 2013

NOTE 7 - LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2013 is as follows:

	General Obligation Bonds	Compensated Absences	Total
Balance beginning of year	\$ 1,800,000	\$ 449,967	\$ 2,249,967
Increases	1,380,000	25,309	1,405,309
Decreases	<u>1,450,000</u>	<u>--</u>	<u>1,450,000</u>
Balance end of year	<u>\$ 1,730,000</u>	<u>\$ 475,276</u>	<u>\$ 2,205,276</u>
Due within one year	<u>\$ 170,000</u>	<u>\$ 475,276</u>	<u>\$ 645,276</u>

Bonds Payable

A summary of the County's June 30, 2013 general obligation bonded indebtedness is as follows:

June 30,	Rates	Principal	Interest	Total
2014	3.25 - 4.25%	\$ 170,000	\$ 72,156	\$ 242,156
2015	3.40 - 4.30	180,000	65,680	245,680
2016	1.00	130,000	24,042	154,042
2017	1.20	130,000	22,742	152,742
2018	1.30	135,000	21,182	156,182
2019-2023	1.50 - 2.10	690,000	73,830	763,830
2024-2025	2.20 - 2.30	<u>295,000</u>	<u>10,090</u>	<u>305,090</u>
		<u>\$ 1,730,000</u>	<u>\$ 289,722</u>	<u>\$ 2,019,722</u>

During the year ended June 30, 2013, the County retired \$1,450,000 of bonds.

Defeasance of Debt

In July, 2012, the County issued \$1,380,000 of 2012 Series General Obligation Refunding Bonds with an average interest rate of 1.65% to advance refund \$1,285,000 of Series 2006 General Obligation Bonds with varying interest rates ranging from 3.90% to 4.75%. The proceeds from the bonds were deposited with an escrow agent to provide for future debt service payments on the 2006 General Obligation Bonds due after June 1, 2015. As a result, the 2006 General Obligation Bonds due after June 1, 2015 are considered to be defeased. The County completed the advance refunding to reduce its total debt service payments over the next six years by approximately \$101,000 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of approximately \$87,000.

Crawford County

Notes to Financial Statements

June 30, 2013

NOTE 8 - PENSION AND RETIREMENT BENEFITS

The County contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Most regular plan members are required to contribute 5.78% (5.95% beginning July 1, 2013) of their annual covered salary and the County is required to contribute 8.67% (8.93% beginning July 1, 2013) of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2013, 2012, and 2011 were approximately \$442,100, \$423,300, and \$369,400, respectively, equal to the required contributions for each year.

NOTE 9 - RISK MANAGEMENT

Crawford County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool with over 679 members from various governmental entities throughout the State of Iowa. The Pool was formed in August, 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expense and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

Crawford County

Notes to Financial Statements

June 30, 2013

NOTE 9 - RISK MANAGEMENT - continued

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2013 were approximately \$145,300.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim. For members requiring specific coverage from \$3,000,000 to \$15,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location, with excess coverage reinsured by Lexington Insurance Company.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2013, no liability has been recorded in the County's financial statements. As of June 30, 2013, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their casualty capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its casualty capital contributions. However, the refund is reduced by the amount of capital distributions previously received by the withdrawing member and an amount equal to the annual casualty operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$500,000 and \$300,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Crawford County
Notes to Financial Statements

June 30, 2013

NOTE 10 - EMPLOYEE HEALTH INSURANCE PLAN

The Internal Service, Employee Group Health Fund was established to account for the partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Wellmark. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$35,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Wellmark from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2013 was \$1,249,362.

Accounts payable from the Employee Group Health Fund at June 30, 2013 total \$104,384, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$618,089 at June 30, 2013 and is reported as net position of the Internal Service, Employee Group Health Fund. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Estimated unpaid claims beginning of year	\$ 276,263
Incurred claims (including claims incurred but not reported at June 30, 2013)	914,276
Total payments	<u>(1,086,155)</u>
Estimated unpaid claims end of year	<u>\$ 104,384</u>

Crawford County
Notes to Financial Statements

June 30, 2013

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description: As required by state law, the County offers health insurance to former employees who have retired after age 55, but have not reached Medicare eligibility. The fully insured plan is a part of the plan offered to all County employees, and the retiree must pay a health insurance premium equal to that charged for current employees. There are approximately 108 active employees and 0 retirees currently covered by the Plan.

Funding Policy: The County does not set aside funds to pay for any OPEB liability. Any County costs of an implicit health insurance premium rate subsidy are charged to expense in the year paid.

Net OPEB Obligation: Management of the County considers any OPEB obligation, which may exist, to be immaterial. Therefore the County has elected to not obtain an actuarial evaluation of the OPEB liability.

Generally accepted accounting principles, established under GASB Statement No. 45, require that an actuarial or alternative computation of a liability be completed. The independent auditor's report regarding the financial statements has been qualified as a result of not obtaining the required evaluation and not recording any potential material OPEB liability.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Construction

The County has entered into several contracts totaling approximately \$4,774,700 for bridge repairs to be completed during fiscal year 2014. The projects will be financed with internally generated funds, and the County's farm to market fund.

Subsequent Events

The County has evaluated all subsequent events through January 28, 2014, the date the financial statements were available to be issued.

* * *

REQUIRED SUPPLEMENTARY INFORMATION

Crawford County

Budgetary Comparison Schedule of Receipts, Disbursements and
Changes in Balances - Budget and Actual (Cash Basis)

All Governmental Funds
Required Supplementary Information

Year ended June 30, 2013

	<u>Actual</u>	<u>Less Funds not Required to be Budgeted</u>	<u>Net</u>
Receipts:			
Property and other County tax	\$ 8,133,234	\$ --	\$ 8,133,234
Interest and penalty on property tax	54,575	--	54,575
Intergovernmental	5,460,352	--	5,460,352
Licenses and permits	5,801	--	5,801
Charges for service	792,340	--	792,340
Use of money and property	106,579	--	106,579
Miscellaneous	154,019	--	154,019
Total receipts	<u>14,706,900</u>	<u>--</u>	<u>14,706,900</u>
Disbursements:			
Public safety and legal services	1,898,960	--	1,898,960
Physical health and social services	2,389,083	--	2,389,083
Mental health	879,393	--	879,393
County environment and education	934,237	--	934,237
Roads and transportation	6,581,060	--	6,581,060
Governmental services to residents	517,847	--	517,847
Administration	1,169,758	--	1,169,758
Debt service	1,624,260	--	1,624,260
Capital projects	251,748	--	251,748
Total disbursements	<u>16,246,346</u>	<u>--</u>	<u>16,246,346</u>
Excess (deficiency) of receipts over (under) disbursements	(1,539,446)	--	(1,539,446)
Other financing sources, net	<u>1,688,080</u>	<u>--</u>	<u>1,688,080</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	148,634	--	148,634
Balance beginning of year	<u>7,695,901</u>	<u>14,135</u>	<u>7,681,766</u>
Balance end of year	<u>\$ 7,844,535</u>	<u>\$ 14,135</u>	<u>\$ 7,830,400</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net Variance
\$ 8,153,016	\$ 8,153,016	\$ (19,782)
47,700	47,700	6,875
6,690,357	6,690,357	(1,230,005)
5,500	5,500	301
672,595	672,595	119,745
141,867	141,867	(35,288)
142,950	142,950	11,069
<u>15,853,985</u>	<u>15,853,985</u>	<u>(1,147,085)</u>
1,995,005	1,995,005	96,045
2,608,800	2,608,800	219,717
2,382,594	2,382,594	1,503,201
983,513	983,513	49,276
6,768,500	6,768,500	187,440
565,863	565,863	48,016
1,348,992	1,348,992	179,234
245,000	245,000	(1,379,260)
339,000	339,000	87,252
<u>17,237,267</u>	<u>17,237,267</u>	<u>990,921</u>
(1,383,282)	(1,383,282)	(156,164)
<u>230,900</u>	<u>230,900</u>	<u>1,457,180</u>
(1,152,382)	(1,152,382)	1,301,016
<u>6,559,938</u>	<u>6,559,938</u>	<u>1,121,828</u>
<u>\$ 5,407,556</u>	<u>\$ 5,407,556</u>	<u>\$ 2,422,844</u>

Crawford County

Budgetary Comparison Schedule -Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2013

	Governmental Fund Types		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 14,706,900	\$ (5,658)	\$ 14,701,242
Expenditures	<u>16,246,346</u>	<u>(526,786)</u>	<u>15,719,560</u>
Net	(1,539,446)	521,128	(1,018,318)
Other financing sources, net	1,688,080	--	1,688,080
Beginning fund balances	<u>7,695,901</u>	<u>1,332,155</u>	<u>9,028,056</u>
Ending fund balances	<u>\$ 7,844,535</u>	<u>\$ 1,853,283</u>	<u>\$ 9,697,818</u>

See accompanying independent auditor's report.

Crawford County

Notes to Required Supplementary Information - Budgetary Reporting

June 30, 2013

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds, except blended component units, the internal service fund, and agency funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, there were no budget amendments.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2013, disbursements exceeded the amounts budgeted in the debt service function.

OTHER SUPPLEMENTARY INFORMATION

Crawford County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2013

	Special Revenue			
	County Recorder's Records Management	Recorder's Electronic Transaction Fee	Conservation Land Acquisition Trust	Conservation Trust
Assets				
Cash and pooled investments	\$ 14,343	\$ 819	\$ 161	\$ 9,121
Receivables:				
Property tax:				
Delinquent	--	--	--	--
Succeeding year	--	--	--	--
Due from other funds	811	--	--	--
Due from other governments	--	--	--	--
Total assets	<u>\$ 15,154</u>	<u>\$ 819</u>	<u>\$ 161</u>	<u>\$ 9,121</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--
Due to other governments	--	--	--	--
Deferred revenue:				
Succeeding year property tax	--	--	--	--
Other	--	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances:				
Restricted for:				
Capital projects	--	--	--	--
Debt service	--	--	--	--
Other purposes	15,154	819	161	9,121
Total fund balances	<u>15,154</u>	<u>819</u>	<u>161</u>	<u>9,121</u>
Total liabilities and fund balances	<u>\$ 15,154</u>	<u>\$ 819</u>	<u>\$ 161</u>	<u>\$ 9,121</u>

(continued next page)

Special Revenue					
Resource Enhancement and Protection	Law Enforcement Forfeiture	County Attorney Forfeiture	Sheriff Forfeiture	Federal Drug Forfeiture Fund	Flood and Erosion
\$ 3,188	\$ 3,006	\$ 1,406	\$ 119	\$ 180	\$ 78,336
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	11,664	--
<u>\$ 3,188</u>	<u>\$ 3,006</u>	<u>\$ 1,406</u>	<u>\$ 119</u>	<u>\$ 11,844</u>	<u>\$ 78,336</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 630
--	--	--	--	9,500	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	9,500	630
--	--	--	--	--	--
--	--	--	--	--	--
3,188	3,006	1,406	119.	2,344	77,706
<u>3,188</u>	<u>3,006</u>	<u>1,406</u>	<u>119</u>	<u>2,344</u>	<u>77,706</u>
<u>\$ 3,188</u>	<u>\$ 3,006</u>	<u>\$ 1,406</u>	<u>\$ 119</u>	<u>\$ 11,844</u>	<u>\$ 78,336</u>

Crawford County
Combining Balance Sheet - Continued
Nonmajor Governmental Funds

June 30, 2013

	Special Revenue		
	Drainage Districts	Cabin Fund	Supplemental Environment Projects
Assets			
Cash and pooled investments	\$ 14,135	\$ 54,845	\$ 59
Receivables:			
Property tax:			
Delinquent	--	--	--
Succeeding year	--	--	--
Due from other funds	--	--	--
Due from other governments	--	--	--
Total assets	<u>\$ 14,135</u>	<u>\$ 54,845</u>	<u>\$ 59</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 734	\$ --	\$ --
Due to other funds	--	--	--
Due to other governments	--	--	--
Deferred revenue:			
Succeeding year property tax	--	--	--
Other	--	--	--
Total liabilities	<u>734</u>	<u>--</u>	<u>--</u>
Fund balances:			
Reserved for:			
Capital projects	--	--	--
Debt service	--	--	--
Other purposes	13,401	54,845	59
Total fund balances	<u>13,401</u>	<u>54,845</u>	<u>59</u>
Total liabilities and fund balances	<u>\$ 14,135</u>	<u>\$ 54,845</u>	<u>\$ 59</u>

See accompanying independent auditor's report.

<u>Special Revenue</u>				
<u>Juvenile Court Division</u>	<u>Protecting Children</u>	<u>Baby Boutique</u>	<u>Capital Projects</u>	<u>Total</u>
\$ 208	\$ 1,678	\$ 2,640	\$ 144,122	\$ 328,366
--	--	--	--	--
--	--	--	--	--
--	--	--	--	811
--	10,263	--	--	21,927
<u>\$ 208</u>	<u>\$ 11,941</u>	<u>\$ 2,640</u>	<u>\$ 144,122</u>	<u>\$ 351,104</u>
\$ --	\$ 3,411	\$ --	\$ --	\$ 4,775
--	--	--	--	9,500
--	750	--	--	750
--	--	--	--	--
--	--	--	--	--
--	4,161	--	--	15,025
--	--	--	144,122	144,122
--	--	--	--	--
208	7,780	2,640	--	191,957
208	7,780	2,640	144,122	336,079
<u>\$ 208</u>	<u>\$ 11,941</u>	<u>\$ 2,640</u>	<u>\$ 144,122</u>	<u>\$ 351,104</u>

Crawford County
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds

Year ended June 30, 2013

	Special Revenue			
	County Recorder's Records Management	Recorder's Electronic Transaction Fee	Conservation Land Acquisition Trust	Conservation Trust
Revenues:				
Property and other County tax	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	--
Charges for service	3,373	--	--	--
Use of money and property	3	4	1	40
Miscellaneous	--	--	--	213
Total revenues	<u>3,376</u>	<u>4</u>	<u>1</u>	<u>253</u>
Expenditures:				
Operating:				
Public safety and legal services	--	--	--	--
Physical health and social services	--	--	--	--
County environment and education	--	--	--	--
Governmental services to residents	5,209	--	--	--
Debt service	--	--	--	--
Total expenditures	<u>5,209</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(1,833)	4	1	253
Other financing sources (uses):				
Operating transfers in	--	--	--	--
Operating transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(1,833)	4	1	253
Fund balances beginning of year	<u>16,987</u>	<u>815</u>	<u>160</u>	<u>8,868</u>
Fund balances end of year	<u>\$ 15,154</u>	<u>\$ 819</u>	<u>\$ 161</u>	<u>\$ 9,121</u>

(continued next page)

Special Revenue					
Resource Enhancement and Protection	Law Enforcement Forfeiture	County Attorney Forfeiture	Sheriff Forfeiture	Federal Drug Forfeiture Fund	Flood and Erosion
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
10,908	--	--	--	11,664	--
--	--	--	--	--	--
48	7	6	6	3	--
--	8,190	--	2,108	--	--
10,956	8,197	6	2,114	11,667	--
--	5,191	--	13,735	14,000	--
--	--	--	--	--	--
13,488	--	--	--	--	7,929
--	--	--	--	--	--
--	--	--	--	--	--
13,488	5,191	--	13,735	14,000	7,929
(2,532)	3,006	6	(11,621)	(2,333)	(7,929)
--	--	--	--	--	20,000
--	--	--	--	--	--
--	--	--	--	--	20,000
(2,532)	3,006	6	(11,621)	(2,333)	12,071
5,720	--	1,400	11,740	4,677	65,635
\$ 3,188	\$ 3,006	\$ 1,406	\$ 119	\$ 2,344	\$ 77,706

Crawford County
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Continued
Nonmajor Governmental Funds

Year ended June 30, 2013

	Special Revenue		Supplemental
	Drainage Districts	Cabin Fund	Environment Projects
Revenues:			
Property and other County tax	\$ --	\$ 468	\$ --
Intergovernmental	--	--	--
Charges for service	--	9,595	--
Use of money and property	--	--	--
Miscellaneous	--	--	--
Total revenues	<u>--</u>	<u>10,063</u>	<u>--</u>
Expenditures:			
Operating:			
Public safety and legal services	--	--	--
Physical health and social services	--	--	--
County environment and education	734	1,517	--
Governmental services to residents	--	--	--
Debt service	--	--	--
Total expenditures	<u>734</u>	<u>1,517</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(734)	8,546	--
Other financing sources (uses):			
Operating transfers in	--	--	--
Operating transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(734)	8,546	--
Fund balances beginning of year	<u>14,135</u>	<u>46,299</u>	<u>59</u>
Fund balances end of year	<u>\$ 13,401</u>	<u>\$ 54,845</u>	<u>\$ 59</u>

See accompanying independent auditor's report.

Special Revenue				
Juvenile Court Division	Protecting Children	Baby Boutique	Capital Projects	Total
\$ --	\$ --	\$ --	\$ --	\$ 468
--	16,881	--	--	39,453
--	--	--	--	12,968
2	--	--	685	805
--	--	150	--	10,661
<u>2</u>	<u>16,881</u>	<u>150</u>	<u>685</u>	<u>64,355</u>
--	--	--	--	32,926
542	9,602	940	--	11,084
--	--	--	--	23,668
--	--	--	--	5,209
--	--	--	--	--
<u>542</u>	<u>9,602</u>	<u>940</u>	<u>--</u>	<u>72,887</u>
(540)	7,279	(790)	685	(8,532)
--	--	--	--	20,000
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>20,000</u>
(540)	7,279	(790)	685	11,468
<u>748</u>	<u>501</u>	<u>3,430</u>	<u>143,437</u>	<u>324,611</u>
<u>\$ 208</u>	<u>\$ 7,780</u>	<u>\$ 2,640</u>	<u>\$ 144,122</u>	<u>\$ 336,079</u>

Crawford County
Combining Schedule of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2013

	<u>County Offices</u>			<u>Agricultural Extension Education</u>
	<u>County Recorder</u>	<u>County Sheriff</u>	<u>County Conservation</u>	
Assets				
Cash and pooled investments:				
County Treasurer	\$ --	\$ --	\$ --	\$ 2,179
Other County officials	42,363	19,525	759	--
Receivables:				
Property tax:				
Delinquent	--	--	--	1,069
Succeeding year	--	--	--	154,000
Accounts	79	--	--	--
Special assessments	--	--	--	--
Due from other funds	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 42,442</u>	<u>\$ 19,525</u>	<u>\$ 759</u>	<u>\$ 157,248</u>
Liabilities				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Salaries and benefits payable	--	--	--	--
Due to other funds	30,677	2,708	--	--
Due to other governments	11,765	80	--	157,248
Trusts payable	--	16,737	759	--
Compensated absences	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 42,442</u>	<u>\$ 19,525</u>	<u>\$ 759</u>	<u>\$ 157,248</u>

(continued next page)

Schedule 3

<u>County Assessor</u>	<u>Emergency Management Services</u>	<u>Sanitary Disposal District</u>	<u>Schools</u>	<u>Community Colleges</u>	<u>Corporations</u>
\$ 218,711	\$ 23,123	\$ 22,840	\$ 121,448	\$ 7,329	\$ 63,450
--	--	--	--	--	--
2,186	--	--	69,786	3,825	83,235
342,000	--	--	9,586,000	550,000	4,581,000
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>\$ 562,897</u>	<u>\$ 23,123</u>	<u>\$ 22,840</u>	<u>\$ 9,777,234</u>	<u>\$ 561,154</u>	<u>\$ 4,727,685</u>
\$ 316	\$ --	\$ 3,734	\$ --	\$ --	\$ --
--	953	11,719	--	--	--
--	--	--	--	--	--
555,000	22,170	7,387	9,777,234	561,154	4,727,685
--	--	--	--	--	--
7,581	--	--	--	--	--
<u>\$ 562,897</u>	<u>\$ 23,123</u>	<u>\$ 22,840</u>	<u>\$ 9,777,234</u>	<u>\$ 561,154</u>	<u>\$ 4,727,685</u>

Crawford County

Combining Schedule of Fiduciary Assets and Liabilities - Continued
Agency Funds

June 30, 2013

	<u>Townships</u>	<u>Auto License and Use Tax</u>	<u>Brucellosis and Tuberculosis Eradication</u>
Assets			
Cash and pooled investments:			
County Treasurer	\$ 2,801	\$ 360,896	\$ 479
Other County officials	--	--	--
Receivables:			
Property tax:			
Delinquent	125	--	17
Succeeding year	223,000	--	2,000
Accounts	--	--	--
Special assessments	--	--	--
Due from other funds	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 225,926</u>	<u>\$ 360,896</u>	<u>\$ 2,496</u>
Liabilities			
Accounts payable	\$ --	\$ --	\$ --
Salaries and benefits payable	--	--	--
Due to other funds	--	13,901	--
Due to other governments	225,926	346,995	2,496
Trusts payable	--	--	--
Compensated absences	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 225,926</u>	<u>\$ 360,896</u>	<u>\$ 2,496</u>

(continued next page)

<u>Anatomical Gift Public Awareness and Transportation</u>	<u>Monies and Credits</u>	<u>City Special Assessments</u>	<u>County Hospital</u>	<u>Wellness</u>	<u>Flex Benefits</u>
\$ 14	\$ --	\$ 3,173	\$ 14,723	\$ 2,985	\$ --
--	--	--	--	--	--
--	--	--	7,690	--	--
--	--	--	1,110,000	--	--
--	--	--	--	--	--
--	--	73,000	--	--	--
--	--	--	--	--	--
<u>\$ 14</u>	<u>\$ --</u>	<u>\$ 76,173</u>	<u>\$ 1,132,413</u>	<u>\$ 2,985</u>	<u>\$ --</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
14	--	76,173	1,132,413	2,985	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>\$ 14</u>	<u>\$ --</u>	<u>\$ 76,173</u>	<u>\$ 1,132,413</u>	<u>\$ 2,985</u>	<u>\$ --</u>

Crawford County

Combining Schedule of Fiduciary Assets and Liabilities - Continued
Agency Funds

June 30, 2013

	<u>E911</u>	<u>Ground Water Protection</u>	<u>Advance Tax</u>
Assets			
Cash and pooled investments:			
County Treasurer	\$ 161,192	\$ 147,355	\$ 96,734
Other County officials	--	--	--
Receivables:			
Property tax:			
Delinquent	--	--	--
Succeeding year	--	--	--
Accounts	8,946	--	--
Special assessments	--	--	--
Due from other funds	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 170,138</u>	<u>\$ 147,355</u>	<u>\$ 96,734</u>
Liabilities			
Accounts payable	\$ 14,168	\$ 288	\$ --
Salaries and benefits payable	--	--	--
Due to other funds	--	--	--
Due to other governments	155,970	147,067	96,734
Trusts payable	--	--	--
Compensated absences	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 170,138</u>	<u>\$ 147,355</u>	<u>\$ 96,734</u>

See accompanying independent auditor's report.

<u>Unclaimed Property</u>	<u>Unapportioned Tax</u>	<u>Recorder's Electronic Transfer Fee</u>	<u>Total</u>
\$ 262	\$ 35,171	\$ 281	\$ 1,285,146
--	--	--	62,647
--	--	--	167,933
--	--	--	16,548,000
--	--	--	9,025
--	--	--	73,000
--	--	206	206
<u>\$ 262</u>	<u>\$ 35,171</u>	<u>\$ 487</u>	<u>\$ 18,145,957</u>
\$ --	\$ --	\$ --	\$ 18,506
--	--	--	12,672
--	--	--	47,286
262	35,171	487	18,042,416
--	--	--	17,496
--	--	--	7,581
<u>\$ 262</u>	<u>\$ 35,171</u>	<u>\$ 487</u>	<u>\$ 18,145,957</u>

Crawford County

Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2013

Assets and Liabilities	County Offices			Agricultural Extension Education
	County Recorder	County Sheriff	County Conservation	
Balances beginning of year	\$ 43,038	\$ 15,809	\$ 21,696	\$ 156,716
Additions:				
Property and other County tax	--	--	--	182,633
E911 surcharge	--	--	--	--
State tax credits	--	--	--	7,673
Office fees and collections	318,997	192,512	--	--
Auto licenses, use tax and postage	--	--	--	--
Assessments	--	--	--	--
Trusts	--	--	--	--
Miscellaneous	--	--	151,360	--
Total additions	<u>318,997</u>	<u>192,512</u>	<u>151,360</u>	<u>190,306</u>
Deductions:				
Agency Remittances:				
To other funds	140,403	76,368	--	--
To other governments	179,190	--	172,297	189,774
Trusts paid out	--	112,428	--	--
Total deductions	<u>319,593</u>	<u>188,796</u>	<u>172,297</u>	<u>189,774</u>
Balances end of year	\$ <u>42,442</u>	\$ <u>19,525</u>	\$ <u>759</u>	\$ <u>157,248</u>

(continued next page)

<u>County Assessor</u>	<u>Emergency Management Services</u>	<u>Sanitary Disposal District</u>	<u>Schools</u>	<u>Community Colleges</u>	<u>Corporations</u>
\$ 510,098	\$ 27,618	\$ 52,410	\$9,757,672	\$ 559,679	\$ 4,706,950
342,757	--	--	10,319,913	614,705	4,620,346
--	--	--	--	--	--
14,399	--	--	430,041	25,793	175,759
4	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
1,910	59,392	690,000	--	--	--
<u>359,070</u>	<u>59,392</u>	<u>690,000</u>	<u>10,749,954</u>	<u>640,498</u>	<u>4,796,105</u>
--	--	--	--	--	--
306,271	63,887	719,570	10,730,392	639,023	4,775,370
--	--	--	--	--	--
<u>306,271</u>	<u>63,887</u>	<u>719,570</u>	<u>10,730,392</u>	<u>639,023</u>	<u>4,775,370</u>
\$ 562,897	\$ 23,123	\$ 22,840	\$9,777,234	\$ 561,154	\$ 4,727,685

Crawford County

Combining Schedule of Changes in Fiduciary Assets and Liabilities - Continued
Agency Funds

Year ended June 30, 2013

	<u>Townships</u>	<u>Auto License and Use Tax</u>	<u>Brucellosis and Tuberculosis Eradication</u>
Assets and Liabilities			
Balance beginning of year	\$ 225,604	\$ 379,865	\$ 2,448
Additions:			
Property and other County tax	253,252	--	2,603
E911 surcharge	--	--	--
State tax credits	10,335	--	109
Office fees and collections	--	--	--
Auto licenses, use tax and postage	--	4,898,689	--
Assessments	--	--	--
Trusts	--	--	--
Miscellaneous	--	--	--
Total additions	<u>263,587</u>	<u>4,898,689</u>	<u>2,712</u>
Deductions:			
Agency Remittances:			
To other funds	--	196,039	--
To other governments	263,265	4,721,619	2,664
Trusts paid out	--	--	--
Total deductions	<u>263,265</u>	<u>4,917,658</u>	<u>2,664</u>
Balance end of year	\$ <u>225,926</u>	\$ <u>360,896</u>	\$ <u>2,496</u>

(continued next page)

<u>Anatomical Gift Public Awareness and Transportation</u>	<u>Monies and Credits</u>	<u>City Special Assessments</u>	<u>County Hospital</u>	<u>Wellness</u>	<u>Flex Benefits</u>
\$ 39	\$ --	\$ 73,166	\$ 1,129,547	\$ 2,519	\$ 4,429
--	--	--	1,234,253	--	--
--	--	--	--	--	--
--	--	--	51,851	--	--
--	--	--	--	--	--
--	--	30,668	--	--	--
--	--	--	--	2,617	--
176	49	--	--	4,500	--
<u>176</u>	<u>49</u>	<u>30,668</u>	<u>1,286,104</u>	<u>7,117</u>	<u>--</u>
--	--	--	--	--	1,725
201	49	27,661	1,283,238	6,651	2,704
--	--	--	--	--	--
<u>201</u>	<u>49</u>	<u>27,661</u>	<u>1,283,238</u>	<u>6,651</u>	<u>4,429</u>
\$ 14	\$ --	\$ 76,173	\$ 1,132,413	\$ 2,985	\$ --

Crawford County

Combining Schedule of Changes in Fiduciary Assets and Liabilities - Continued
Agency Funds

Year ended June 30, 2013

	<u>E911</u>	<u>Ground Water Protection</u>	<u>Advance Tax</u>
Assets and Liabilities			
Balance beginning of year	\$ 195,788	\$ 155,620	\$ 45,674
Additions:			
Property and other County tax	--	--	--
E911 surcharge	141,029	--	--
State tax credits	--	--	--
Office fees and collections	--	--	--
Auto licenses, use tax and postage	--	--	--
Assessments	--	--	--
Trusts	--	--	--
Miscellaneous	889	--	105,358
Total additions	<u>141,918</u>	<u>--</u>	<u>105,358</u>
Deductions:			
Agency Remittances:			
To other funds	--	--	54,298
To other governments	167,568	8,265	--
Trusts paid out	--	--	--
Total deductions	<u>167,568</u>	<u>8,265</u>	<u>54,298</u>
Balance end of year	<u>\$ 170,138</u>	<u>\$ 147,355</u>	<u>\$ 96,734</u>

See accompanying independent auditor's report.

<u>Unclaimed Property</u>	<u>Unapportioned Tax</u>	<u>Recorder's Electronic Transfer Fee</u>	<u>Total</u>
\$ 262	\$ 324	\$ 484	\$ 18,067,455
--	--	--	17,570,462
--	--	--	141,029
--	--	--	715,960
--	--	--	511,513
--	--	--	4,898,689
--	--	--	30,668
--	--	--	2,617
--	424,872	3,347	1,441,853
--	424,872	3,347	25,312,791
--	--	--	468,833
--	--	3,344	24,263,003
--	390,025	--	502,453
--	390,025	3,344	25,234,289
\$ 262	\$ 35,171	\$ 487	\$ 18,145,957

Crawford County

Schedule of Revenues by Source and Expenditures by Function -
All Governmental Fund Types

For the Last Ten Years

	Modified Accrual Basis			
	2013	2012	2011	2010
Revenues:				
Property and other				
County tax	\$ 8,131,171	\$ 7,429,018	\$ 7,403,977	\$ 6,969,027
Interest and penalty on				
property tax	54,575	55,693	55,069	48,956
Intergovernmental	5,474,651	8,629,144	6,792,858	8,740,517
Licenses and permits	5,811	8,495	24,594	6,138
Charges for service	779,979	758,616	730,090	706,840
Use of money and				
property	105,054	113,341	116,743	173,852
Miscellaneous	150,001	276,272	233,075	299,939
Total	<u>\$ 14,701,242</u>	<u>\$ 17,270,579</u>	<u>\$ 15,356,406</u>	<u>\$ 16,945,269</u>
Expenditures:				
Operating:				
Public safety and				
legal services	\$ 1,903,730	\$ 1,821,620	\$ 1,790,287	\$ 1,745,314
Physical health and				
social services	2,417,483	2,439,827	2,477,501	2,447,304
Mental health	609,472	2,159,816	1,648,364	1,577,899
County environment				
and education	915,362	940,823	846,583	993,945
Roads and transportation	6,218,193	7,385,121	6,628,529	7,307,254
Governmental services				
to residents	516,699	512,286	494,213	457,774
Administration	1,273,577	1,103,811	1,136,314	1,060,903
Debt service	1,624,260	245,060	245,370	238,315
Capital projects	240,784	584,875	1,339,714	647,832
Total	<u>\$ 15,719,560</u>	<u>\$ 17,193,239</u>	<u>\$ 16,606,875</u>	<u>\$ 16,476,540</u>

See accompanying independent auditor's report.

Modified Accrual Basis					
2009	2008	2007	2006	2005	2004
\$ 6,712,622	\$ 6,255,519	\$ 6,074,600	\$ 5,711,887	\$ 5,238,989	\$ 5,724,994
45,885	43,272	45,138	58,660	43,123	44,277
8,580,817	7,628,573	5,968,333	5,879,284	5,683,927	5,362,296
9,254	18,661	20,507	14,102	12,652	18,132
670,965	731,999	745,267	689,576	636,837	811,236
240,718	371,905	464,425	277,622	145,849	109,660
291,007	210,276	181,042	182,906	142,985	129,161
<u>\$ 16,551,268</u>	<u>\$ 15,260,205</u>	<u>\$ 13,499,312</u>	<u>\$ 12,814,037</u>	<u>\$ 11,904,362</u>	<u>\$ 12,199,756</u>
\$ 1,599,327	\$ 1,374,429	\$ 1,323,978	\$ 1,392,514	\$ 1,196,624	\$ 1,238,426
2,381,322	2,117,423	1,937,106	1,762,934	1,810,576	2,094,590
2,047,478	2,020,335	1,940,034	1,900,663	1,861,221	1,477,461
818,877	741,682	742,239	693,790	700,049	807,359
5,958,056	5,233,883	4,889,258	4,870,293	4,512,066	4,241,540
453,933	439,657	440,859	584,440	503,515	421,462
1,001,091	1,201,701	945,125	941,027	901,395	981,590
240,241	172,827	159,956	--	--	--
1,827,693	989,297	2,477,310	1,124,439	841,801	702,852
<u>\$ 16,328,018</u>	<u>\$ 14,291,234</u>	<u>\$ 14,855,865</u>	<u>\$ 13,270,100</u>	<u>\$ 12,327,247</u>	<u>\$ 11,965,280</u>

COMMENTS AND RECOMMENDATIONS

Gronewold, Bell, Kyhnn & Co. P.C.

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS AND FINANCIAL CONSULTANTS

1910 EAST 7th STREET BOX 369
ATLANTIC, IOWA 50022-0369
(712) 243-1800
FAX (712) 243-1265
CPA@GBKCO.COM

MARK D. KYHNN
DAVID L. HANNASCH
KENNETH P. TEGELS
CHRISTOPHER J. NELSON
DAVID A. GINTHER

Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Officials of Crawford County

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Crawford County, Iowa, as of and for the year ended June 30, 2013, and the related notes to financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 28, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Crawford County's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Crawford County's internal control. Accordingly, we do not express an opinion on the effectiveness of Crawford County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis.

To the Officials of Crawford County

A significant deficiency is a deficiency or combination of deficiencies in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crawford County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted a certain immaterial instance of non-compliance or other matters that are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2013 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

County's Response to Finding

Crawford County's response to the finding identified in our audit is described in the accompanying Schedule of Findings. Crawford County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gmenich, Ben, Kohn & Co. P.C.

Atlantic, Iowa
January 28, 2014

Crawford County
Schedule of Findings
Year ended June 30, 2013

Part I: Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

Part II: Other Findings Related to Required Statutory Reporting

- 13-II-A Certified Budget: Disbursements during the year ended June 30, 2013 exceeded the amounts budgeted in the debt service function.

Recommendation: The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the function budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriation.

Response: We will amend the budget when required and appropriations will be watched more closely by the departments.

Conclusion: Response accepted.

- 13-II-B Questionable Expenditures: No expenditures were noted that meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

- 13-II-C Travel Expense: No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

- 13-II-D Business Transactions: No business transactions between the County and County officials were noted.

- 13-II-E Bond Coverage: Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.

- 13-II-F Board Minutes: No transactions were found that we believe should have been approved in the Board minutes but were not.

Crawford County

Schedule of Findings

Year ended June 30, 2013

Part IV: Other Findings Related to Required Statutory Reporting - Continued

- 13-II-G Deposits and Investments: No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- 13-II-H Resource Enhancement and Protection Certification: The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- 13-II-I County Extension Office: The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2013 for the County Extension Office did not exceed the amount budgeted.

* * *